

DEPARTMENT OF THE ARMY
ARMY CONTRACTING AGENCY, SOUTHERN REGION
1309 ANDERSON WAY SW,
BLDG 131
FT MCPHERSON GA 30330-106219 DEC 02

SFCA-SR

19 December 2002

MEMORANDUM FOR Army Contracting Agency Southern Region (ACASR)
Installations

SUBJECT: Southern Region Implementation Memorandum (SRIM) 03-04, Improving Contracting Officer Determinations of Price Reasonableness When Cost or Pricing Data is not Obtained: Annual Reporting Requirement

1. In accordance with FAR 15.402, contracting personnel are required to perform a quality analysis for every contract action. When reporting actions, ensure that Block C11 on the DD Form 350 is properly completed in accordance with DFARS 253.204-70(c)(xi). Exceptions to requiring cost or pricing data are listed at FAR 15.403-1(b) and include:

- a. A contracting officer's determination that prices upon is based on adequate price competition;
- b. Prices are based on prices set by law or regulation;
- c. A commercial item is being acquired;
- d. A waiver has been granted; or
- e. A contract or subcontract for commercial items is modified.

2. Please insure that in cases where exceptions from cost or pricing data requirements are found that these exceptions are based on the exceptions stated at FAR 15.403-1(c) and DFARS 215.403-1(c) such as:

- a. Adequate price competition from two or more responsible offerors, competing independently;
- b. There was a reasonable expectation, based on market research or other assessment, that two or more responsible offerors, competing independently, would submit priced offers in response to the solicitation's expressed requirement, even though only one offer is received from a responsible offeror;

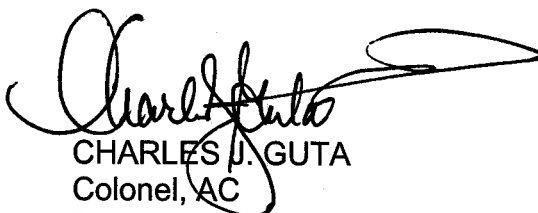
3. Price analysis clearly demonstrates that the proposed price is reasonable in

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comparison with current or recent prices for the same or similar items:

- a. Prices set by law or regulation;
 - b. Items are determined to be commercial items and these items meet the definition of commercial items in FAR 2.201; or
 - c. Or the Head of the Contracting Activity (HCA) has waived the requirement for submission of cost or pricing data in exceptional cases. The authorization for the waiver and the supporting rationale shall be in writing.
4. You are encouraged to get assistance from the Defense Contract Audit Agency (DCAA) when necessary. When buying non-commercial items, where exceptions do not apply, it is important that cost or pricing data be obtained when other data are insufficient to determine reasonableness. The fact that a published price list exists for a commercial item under consideration does not necessarily mean the price is fair and reasonable. If the price still cannot be determined to be fair and reasonable after the appropriate price analysis techniques have been applied, the contracting officer may require the offeror to submit information other than cost or pricing data pursuant to FAR 15.403-3(c)(1) to support further analysis.
5. For additional information, please contact Ms. Ruth Cushman at DSN 367-3410.



CHARLES J. GUTA
Colonel, AC
Director

Army Contracting Agency – Southern Region
Principal Assistant Responsible for Contracting